

Regular Session, 2012

SENATE BILL NO. 516

BY SENATOR CROWE

COMMERCIAL REGULATIONS. Provides that persons with ownership interest in certain business entities be notified before changes are made in the records of the secretary of state. (8/1/12)

AN ACT

To enact Chapter 26 of Title 12 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 12:1701, relative to commercial regulations; to provide for notification to officers, members, managers, and partners of certain changes; to provide for certain terms, conditions, and procedures; to provide that notice be given to certain individuals; to provide relative to documents; to provide for a cause of action; to provide for judicial review; to provide for the duties of a certain court; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 26 of Title 12 of the Louisiana Revised Statutes of 1950, comprised of R.S. 12:1701 is hereby enacted to read as follows:

CHAPTER 26. PROVISIONS APPLICABLE TO MORE THAN

ONE KIND OF BUSINESS ORGANIZATION

§1701. Notification to officers, members, managers, and partners

A. Any document or record required to be submitted to the secretary of state pursuant to this Title by a corporation, limited liability company, or partnership, shall not be submitted to the secretary of state until after each

1 officer, member, manager, or partner has been notified in writing of the
2 submission and provided with a copy of such submission.

3 B. It shall be unlawful for any officer, member, manager, or partner, or
4 any agent thereof, to remove the name of any other officer, member, manager,
5 or partner from any record or document which is filed with the secretary of
6 state unless the individual whose name is to be removed has been notified, in
7 writing, of the removal prior to such submission to the secretary of state.

8 C. (1) Should any officer, member, manager, or partner have his name
9 removed from any document or record filed with the secretary of state, without
10 his express permission, the aggrieved party may file suit in the Nineteenth
11 Judicial District Court against the officer, member, manager, or partner, or
12 their agent, who caused the aggrieved party's name to be removed from such
13 document or record.

14 (2) The secretary of state shall be made a party to the suit.

15 (3) The court shall conduct a hearing within ten days after service of
16 process of the suit on all parties.

17 (4) Should the court find that the name of the aggrieved party was
18 improperly or fraudulently removed from the documents and records of the
19 secretary of state, the court shall order the secretary of state to replace the
20 name of the aggrieved individual to all appropriate documents and records of
21 the secretary of state.

The original instrument was prepared by Carla S. Roberts. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle Ducharme.

DIGEST

Crowe (SB 516)

Present law provides for the regulation of corporations, limited liability companies and partnerships by the secretary of state.

Proposed law retains present law but provides that any document or record required to be submitted to the secretary of state by a business corporation, limited liability company, or partnership, will not be submitted until after each officer, member, manager, or partner has been notified in writing of the submission and provided with a copy of such submission.

Proposed law provides that it shall be unlawful for any officer, member, manager, or partner, or any agent thereof, to remove the name of any other officer, member, manager, or partner from any record or document which is filed with the secretary of state unless the individual whose name is to be removed has been notified in writing of the removal prior to such submission to secretary of state.

Proposed law provides that should any officer, member, manager, or partner have his name removed from any document or record of the secretary of state, without his express permission, the aggrieved party may file a lawsuit in the 19th Judicial District Court against the officer, member, manager, or partner, or their agent, who caused the aggrieved party's name to be removed from such document or record.

Proposed law provides that the court will conduct a hearing within 10 days after service of process of the law suit.

Proposed law provides that should the court find that the name of the aggrieved party was improperly or fraudulently removed from the documents and records of the secretary of state, the court shall order the secretary of state to replace the name of the aggrieved individual to all appropriate documents and records of the secretary of state.

Effective August 1, 2012.

(Adds R.S. 12:1701)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill.

1. Removes the requirement that a notice must be printed on every form or document which is filed with the secretary of state.